

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**SEVENTEENTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
MARCH 1, 2020 THROUGH MARCH 31, 2020**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to
October 25, 2018

Period for which compensation and
reimbursement is sought: March 1, 2020 through March 31,
2020

Monthly Fees Incurred: \$53,981.50

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$53,981.50

This is a: X monthly _____ interim _____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from March 1, 2020 through and including March 31, 2020 (the “**Seventeenth Fee Period**”) amount to:

Professional Fees	\$53,981.50
Expenses	<u>0.00</u>
TOTAL	<u>\$53,981.50</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$43,185.20
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$43,185.20</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Seventeenth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Seventeenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Seventeenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Seventeenth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

7. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

8. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than May 19, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

9. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

10. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
May 4, 2020

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
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EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY PROFESSIONAL****FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020**

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Diaz, Matthew	Senior Managing Director	Restructuring	\$ 1,085	22.7	\$24,629.50
Nelson, Cynthia A	Senior Managing Director	Restructuring	1,085	0.6	651.00
Star, Samuel	Senior Managing Director	Restructuring	1,125	1.7	1,912.50
Eisler, Marshall	Senior Director	Restructuring	835	1.4	1,169.00
Kim, Ye Darm	Consultant	Restructuring	455	45.7	20,793.50
Shapiro, Jill	Consultant	Restructuring	415	9.2	3,818.00
Hellmund-Mora, Marili	Associate	Restructuring	280	3.6	1,008.00
TOTAL				84.9	\$53,981.50

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020**

Task Code	Task Description	Total Hours	Total Fees
5	Real Estate Issues	0.6	\$ 651.00
14	Analysis of Claims and Liabilities Subject to Compromise	19.6	14,296.00
17	Wind Down Monitoring	3.5	2,694.50
18	Potential Avoidance Actions & Litigation	48.0	29,573.00
20	General Meetings with Debtor & Debtors' Prof	0.3	136.50
21	General Meetings with UCC & UCC Counsel	1.9	2,101.50
24	Preparation of Fee Application	11.0	4,529.00
TOTAL		84.9	\$ 53,981.50

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020

Task Category	Date	Professional	Hours	Activity
5	3/3/2020	Nelson, Cynthia A	0.4	Review proposed Clayton Street asset sale.
5	3/5/2020	Nelson, Cynthia A	0.2	Respond to inquiry regarding approval of Clayton Street asset sale.
5 Total			0.6	
14	3/2/2020	Diaz, Matthew	0.4	Review open items and next steps on the administrative claims analysis.
14	3/2/2020	Star, Samuel	0.1	Review status of convenience class for administrative claim proposal.
14	3/4/2020	Diaz, Matthew	0.7	Review the updated claims analysis for the administrative claim proposal.
14	3/4/2020	Diaz, Matthew	1.2	Participate in call with M-III to discuss the proposed administrative claim treatment.
14	3/4/2020	Kim, Ye Darm	0.5	Prepare for call with M-III re: convenience class proposal.
14	3/4/2020	Kim, Ye Darm	1.2	Participate in call with M-III to discuss the proposed administrative claim treatment.
14	3/4/2020	Kim, Ye Darm	0.9	Draft summary of convenience class proposal for internal distribution.
14	3/4/2020	Shapiro, Jill	0.5	Draft summary of proposed convenience class for distribution to Counsel.
14	3/4/2020	Shapiro, Jill	1.2	Participate in call with M-III re: proposed convenience class.
14	3/5/2020	Diaz, Matthew	1.2	Perform detailed review of convenience class proposal and related correspondence to counsel.
14	3/5/2020	Kim, Ye Darm	1.2	Draft analysis of convenience class impact to administrative creditors.
14	3/5/2020	Star, Samuel	0.1	Review the status of administrative claim convenience class proposal.
14	3/6/2020	Diaz, Matthew	0.8	Review the administrative claims motion.
14	3/7/2020	Kim, Ye Darm	1.6	Update analysis re: impact to non-opt out claims from the convenience class.
14	3/9/2020	Diaz, Matthew	1.4	Review the updated claims analysis.
14	3/9/2020	Diaz, Matthew	0.3	Participate on call with counsel to discuss the updated claims analysis.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020

Task Category	Date	Professional	Hours	Activity
14	3/9/2020	Kim, Ye Darm	1.2	Review updated non-opt out claims analysis from Debtors.
14	3/9/2020	Kim, Ye Darm	0.6	Review issue re: World Imports/Winners with Counsel.
14	3/9/2020	Kim, Ye Darm	1.1	Draft internal memo of Winners issue and impact to non-opt out claims.
14	3/9/2020	Kim, Ye Darm	0.6	Participate in internal meeting re: non-opt out claims analysis.
14	3/9/2020	Star, Samuel	0.5	Participate in internal meeting re: administrative claim convenience class proposal and status of claim reconciliations by tier.
14	3/10/2020	Diaz, Matthew	0.9	Review the administrative claims analysis.
14	3/11/2020	Diaz, Matthew	0.3	Review next steps on the administrative claims analysis.
14	3/19/2020	Diaz, Matthew	0.7	Review the de minimus claims motion and related reconciliation to source documents.
14	3/25/2020	Kim, Ye Darm	0.4	Correspond with M-III re: potential delays in reconciliation processes.
14 Total			19.6	
17	3/4/2020	Kim, Ye Darm	0.9	Review latest post-confirmation winddown tracker from the Debtors.
17	3/4/2020	Shapiro, Jill	0.8	Review latest post-confirmation winddown tracker as prepared by the Debtors.
17	3/5/2020	Diaz, Matthew	0.8	Review the updated Sears cash flow.
17	3/6/2020	Diaz, Matthew	0.7	Review the updated cash flow report.
17	3/25/2020	Diaz, Matthew	0.3	Review the Sears hearing update.
17 Total			3.5	
18	3/3/2020	Diaz, Matthew	2.1	Review the motions to dismiss filed against the Debtors.
18	3/3/2020	Shapiro, Jill	0.5	Participate in internal meeting re: motions to dismiss.
18	3/3/2020	Shapiro, Jill	0.6	Prepare analysis re: motions to dismiss filed against the Debtors.

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SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020

Task Category	Date	Professional	Hours	Activity
18	3/4/2020	Kim, Ye Darm	2.6	Review motions to dismiss against counts in amended complaint.
18	3/5/2020	Diaz, Matthew	1.7	Perform detailed review of the motions to dismiss and related next steps.
18	3/5/2020	Kim, Ye Darm	1.1	Review counsel's memo on motions to dismiss and participate in internal meeting to discuss next steps.
18	3/17/2020	Diaz, Matthew	1.2	Review the Sears solvency analysis.
18	3/17/2020	Kim, Ye Darm	0.6	Correspond with counsel re: contingent liabilities.
18	3/24/2020	Diaz, Matthew	0.7	Participate in call with Akin to discuss the status of discovery and the related litigation.
18	3/24/2020	Kim, Ye Darm	0.7	Participate in call with Counsel re: diligence requests to Transform.
18	3/24/2020	Kim, Ye Darm	0.9	Process revisions to document request list to Transform.
18	3/24/2020	Kim, Ye Darm	2.3	Review productions to revise diligence request list for Transform.
18	3/24/2020	Kim, Ye Darm	2.9	Continue to review productions and compile revised diligence request list for Transform.
18	3/24/2020	Kim, Ye Darm	2.1	Review productions and identify requests that have been partially satisfied re: diligence request list.
18	3/25/2020	Diaz, Matthew	1.9	Perform detailed review of the open items and related correspondence with counsel in connection with the discovery request.
18	3/25/2020	Kim, Ye Darm	2.6	Continue review of productions to identify satisfied requests re: diligence request list.
18	3/25/2020	Kim, Ye Darm	0.9	Review memo by Herrick Feinstein re: Motions to Dismiss.
18	3/25/2020	Kim, Ye Darm	2.2	Update diligence request list to reflect identified files responsive to certain requests and create summaries of outstanding items.
18	3/25/2020	Kim, Ye Darm	3.2	Continue review of productions and identify satisfied requests re: diligence request lists.
18	3/25/2020	Kim, Ye Darm	1.1	Review prepetition i/c files.
18	3/25/2020	Kim, Ye Darm	3.1	Review productions and identify satisfied requests re: diligence request list.
18	3/26/2020	Diaz, Matthew	1.9	Review the updated diligence request list.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020

Task Category	Date	Professional	Hours	Activity
18	3/26/2020	Kim, Ye Darm	0.5	Participate in internal call re: updated diligence request list.
18	3/26/2020	Kim, Ye Darm	1.1	Participate in call with counsel re: updated diligence request list.
18	3/30/2020	Eisler, Marshall	1.4	Prepare for and participate in call with Akin re: litigation issues.
18	3/30/2020	Diaz, Matthew	1.2	Review discovery issues.
18	3/30/2020	Kim, Ye Darm	1.4	Participate in call with counsel re: diligence request for Transform.
18	3/30/2020	Kim, Ye Darm	1.6	Analyze production metadata for file locations re: diligence request to Transform.
18	3/31/2020	Diaz, Matthew	0.8	Review the updated discovery analysis.
18	3/31/2020	Kim, Ye Darm	3.1	Review production metadata re: diligence requests and prepare summary of findings.
18 Total			48.0	
20	3/3/2020	Kim, Ye Darm	0.3	Connect with M-III re: current winddown status of OldCo.
20 Total			0.3	
21	3/3/2020	Diaz, Matthew	0.9	Prepare for the monthly UCC call.
21	3/24/2020	Star, Samuel	0.4	Review Akin update on self insurance overpayment recoveries, de minimus administrative claims resolution and Clayton Street asset sale.
21	3/27/2020	Star, Samuel	0.6	Review Akin email re: status of MTN investigations and hearing on claims settlements.
21 Total			1.9	
24	3/2/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	3/2/2020	Kim, Ye Darm	1.2	Review Sears January Fee Application.
24	3/2/2020	Shapiro, Jill	1.5	Prepare January fee application.
24	3/3/2020	Diaz, Matthew	0.6	Review January fee statement.

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DETAIL OF TIME ENTRIES

FOR THE PERIOD MARCH 1, 2020 TO MARCH 31, 2020

Task Category	Date	Professional	Hours	Activity
24	3/3/2020	Shapiro, Jill	0.9	Prepare January fee application.
24	3/5/2020	Hellmund-Mora, Marili	0.6	Update and finalize the January fee application.
24	3/9/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	3/9/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24	3/10/2020	Shapiro, Jill	0.5	Prepare weekly fee estimate.
24	3/17/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24	3/17/2020	Shapiro, Jill	0.6	Prepare fee application to meet fee examiner guidelines.
24	3/18/2020	Shapiro, Jill	0.3	Prepare fee application to meet fee examiner guidelines.
24	3/23/2020	Hellmund-Mora, Marili	1.0	Prepare the February fee application.
24	3/24/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	3/24/2020	Shapiro, Jill	0.2	Prepare weekly fee estimate.
24	3/30/2020	Shapiro, Jill	0.7	Prepare February fee application.
24	3/31/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	3/31/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24 Total			11.0	
Grand Total			84.9	